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ON PAGE A-18

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Ex-C.I.A. Deputy Is Viewed As Lacking Professionalism

By ROBERT PEAR
Special to The New York Times

WASHINGTON, July 14 — Before his resignation today, Max C. Hugel was in charge of the largest directorate in the Central Intelligence Agency, the branch responsible for covert action and clandestine counterintelligence overseas.

Mr. Hugel did not fit the mold for that job in two respects: He had not had a career in professional intelligence work; instead, he had been a businessman in New Hampshire and worked on the Reagan campaign staff in last year's Presidential election. And, unlike most of his predecessors, he did not come from an Ivy League-style "gentlemen's club" background.

Mr. Hugel's title was Deputy Director for Operations. Before March 1973, the job bore the title of Deputy Director for plans. William E. Colby, who held the position in 1973 before he became Director of Central Intelligence, said in an interview today that he had asked James R. Schlesinger, then Director of Central Intelligence, to change the name because "plans" was a euphemism for what that part of the agency really did.

Besides Mr. Colby, two other men who had previously been in charge of the directorate for plans or operations, were promoted from within the agency to Directors of Central Intelligence. They were Allen W. Dulles and Richard Helms. Mr. Dulles and Mr. Colby were graduates of Princeton, and Mr. Helms was a graduate of Williams College, an old liberal arts college in northwestern Massachusetts.

'The Heart of the Agency'

"It would be very unusual to have a nonprofessional, a businessman, an ordinary civilian running the directorate for operations," said Thomas Powers, author of a recent biography of Mr. Helms. "That's certainly never happened before. That's one position where you want a professional. That's where the heart of the agency always was, and that's the office in which Presidents were always most interested."

Presidents took an interest in the office because its covert agents could, at the President's behest, foment unrest in foreign countries. In addition, the Deputy Director for Operations supervised the recruitment of spies overseas, collecting minutely detailed information about low-level clerks in Soviet embassies abroad.

The Deputy Director also had authority over counterintelligence operations designed to learn about Soviet activities in general, and supervised all forms of psychological warfare conducted and information disseminated by the agency overseas.

Officials in the Reagan Administrtion said that William J. Casey, the Director of Central Intelligence, had recruited Mr. Hugel because Mr. Casey thought his rough-and-tumble style was exactly what was needed to rebuild the clandestine service. Some agency officials had become extremely cautious about conducting covert operations after years of Congressional investigations exposing unsuccessful and aborted projects, including plans to assassinate foreign leaders.

which forced him to resign.

All of Mr. Hugel's predecessors had experience in intelligence work before they took charge of clandestine operations. Those who have held the position since Mr. Dulles are Frank G. Wisner, from 1952 to 1958; Richard M. Bissell Jr., 1958 to 1962; Mr. Helms, 1962 to 1965; Desmond FitzGerald, 1965 to 1967; Thomas Karamessines, 1967 to 1973; Mr. Colby, 1973; William E. Nelson, 1973 to 1976; William Wells, 1976-77, and John McMann, 1977 to 1980.

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Citizen Scaife

by KAREN ROTHMYER

Five years ago, George Mair was bored with his job as editorial director of KNX, the CBS radio affiliate in Los Angeles. As Mair recalls it now, he and John E. Cox, Jr., an aide to Republican congressman Barry Goldwater, Jr., hit on the idea of starting a nonprofit organization aimed primarily at improving relations between business and the media. The one thing they didn't have was money, so when they heard that Richard Larry, an administrative agent of the Scaife Family Charitable Trusts, was coming to town, they called up to see if they could talk to him.

"The only reason he agreed to have dinner with us is that he thought Jack was another man named Cox he was supposed to be meeting," Mair, now an editorial columnist for the Los Angeles Times Syndicate, says with a laugh. "But he was very polite and listened to our ideas. He came again a few months later and we had lunch. He gave us a check. When we opened it, it was far, far beyond our wildest dreams — one hundred thousand dollars."

Thus was born the Foundation for American Communications, one of a large number of organizations that owe their existence to the generosity of one of the richest men in America, Richard Mellon Scaife. Scaife, a great-grandson of the founder of the Mellon empire, has made the formation of public opinion both his business and his avocation.

Over the past twelve years, Scaife, whose personal fortune is conservatively estimated at $150 million, has bought or started a variety of publications, mainly in the Pittsburgh area. But he has increasingly turned his attention from journalism to other, more ambitious efforts to shape public opinion, in the form of $100 million or so in grants from Scaife charities to conservative, particularly New Right, causes. These efforts have been dramatically successful. Indeed, Scaife could claim to have done more than any other individual in the past five or six years to influence the way in which Americans think about their country and the world.

Since 1973, Scaife charitable entities have given $1 million or more to each of nearly a score of organizations that are closely linked to the New Right movement. These range from the Institute for Foreign Policy Analysis, a Massachusetts think-tank that examines political and military issues, to California's Pacific Legal Foundation, the oldest and largest of a dozen conservative legal groups, all Scaife beneficiaries, which function as mirror images of the Nader-inspired public-interest law groups.

The press has generally overlooked Scaife, even when reporting on organizations that are financially dependent on him. For example, Scaife is the single largest donor to the Mountain States Legal Foundation — $200,000 toward a $1-million budget in 1980 — as acknowledged by Mountain States officials. Yet, earlier this year, when James Watt, then-president of Mountain States, was up for Senate confirmation as Interior Secretary in the Reagan cabinet, the press reported — on the basis of available information — that Mountain States was primarily funded by timber, utility, and mining interests.

Similarly, officials of The Heritage Foundation (see sidebar, page 44), a conservative think-tank that supplied eleven members of the Reagan transition team, acknowledge that Scaife is a far larger contributor than Joseph Coors, whose name has been the only one mentioned in most press reports on the group. Scaife, who joined with Coors to launch Heritage seven years ago, gave close to $900,000 — three times Coors's gift — to help meet the current $5.3-million Heritage budget.

"They're playing all sides of the street: media, politics — the soft approach and the hard," says George Mair, referring to Scaife and his advisers. Mair left the Foundation for American Communications just over a year ago, forced out, he claims, over the issue of what he regarded as the group's increasingly conservative bias. FACS president Jack Cox says, "The decision was made by the board of trustees to sever Mr. Mair's relationship with the foundation and that decision was not based on any political or ideological disputes."

Scaife himself has never publicly discussed his motivations or goals. Indeed, he has repeatedly declined requests for interviews, as he did in the case of this article. (See sidebar, right.) Officials of most organizations that receive money from Scaife charities say they rarely if ever see Scaife himself, but deal instead with aides like Richard Larry, who has also been unavailable for comment. Most of the more sensitive Scaife donations are made through a family trust that is not legally required to make any public accounting of its donations, and most institutions that receive money from Scaife, like their